

**MINUTES OF THE  
CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**

For the meeting held on  
Tuesday, May 22, 2007 – 1:30 p.m  
1001 I Street Second Floor  
Sierra Hearing Room  
Sacramento, California 95814

Chairman Edward Heidig called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:35 p.m.

**1. Call To Order and Roll Call.**

Edward Heidig represented the Secretary of the Business, Transportation and Housing Agency.  
Francisco Lujano represented the State Treasurer.  
Scott Harvey represented the Secretary of the State and Consumer Services Agency.  
Molly Arnold represented the Director of the Department of Finance.  
D. Everett Rice, Governor's appointee was absent.

The following staff members were in attendance: Stan Hazelroth, Roma Cristia-Plant, Shelly Renner, Barbara Lewis and Diane Cummings.

**2. Executive Director's Report.**

Executive Director Stan Hazelroth informed the Board of recent discussions among staff regarding the I-Bank's role as a conduit bond issuer, related due diligence and disclosure responsibilities and the Board's exposure to liability should a borrower default. Mr. Hazelroth advised the Board that staff is seeking special counsel's assistance with these issues, and he expects to report back to the Board at a later date.

Mr. Hazelroth also updated the Board on discussions with Cooperative Personnel Services (CPS), a joint powers authority, to provide strategic planning services to the I-Bank. A proposal from Mr. Mike Navarro of CPS is forthcoming and staff anticipates the work to be completed by August.

**Consent Items:**

**3. Approve minutes from the meeting held on April 24, 2007.**

Chairman Heidig asked if there were any corrections or additions to the minutes. There being none, he entertained a motion to approve the consent item. Mr. Harvey moved to approve the minutes and Mr. Lujano seconded the motion. The Board unanimously approved the minutes.

**Action Items:**

**4. Adopt a resolution approving Infrastructure State Revolving Fund (ISRF) Program financing for the Paradise Irrigation District in an amount not to exceed \$2,000,000.**

Ms. Cummings presented a staff report, and introduced Mr. George Barber, District Manager, Mr. Ron Kresnicka, Assistant District Manager and Mr. Kevin Phillips, Treasurer, Finance and Accounting Manager of the Paradise Irrigation District. Chairman Heidig asked for any questions or comments from the Board. Mr. Heidig had a question as to the purpose of the self-cleaning Coanda-effect type screen to be used in the project. Mr. Hazelroth replied that the screen prevents debris, fish and aquatic growth from entering turbines. Mr. Harvey asked whether the District had a lifeline rate for users on a fixed income. Mr. Barber indicated that the district does not have a lifeline rate, but has a special rate for customers who have low water usage. Mr. Heidig then asked for any questions or comments from those present, there were none. Chairman Heidig entertained a motion to approve Resolution No. 07-13. Mr. Lujano moved to approve the resolution and Mr. Harvey seconded the motion. The Board unanimously approved the resolution.

**5. Adopt a resolution approving ISRF Program financing for the Placer County Redevelopment Agency in an amount not to exceed \$600,000.**

Ms. Cummings presented a staff report, and introduced Ms. Candace Rousselet, Senior Redevelopment Specialist, of the Placer County Redevelopment Agency. Chairman Heidig asked for any questions or comments from the Board. Hearing none, he asked for any questions or comments from those present, there were none. Chairman Heidig entertained a motion to approve Resolution No. 07-14. Mr. Lujano moved to approve the resolution and Mr. Harvey seconded the motion. The Board unanimously approved the resolution.

**6. Adopt resolution appointing one or more financial advisors for: 1) the ISRF Program, other revolving loan programs and other miscellaneous debt and financial management matters connected to bond issues; and, 2) the State School Fund Apportionment Lease Revenue Financing Program.**

Ms. Lewis presented a staff report recommending Gardner, Underwood & Bacon, LLC, KNN Public Finance (KNN), Lamont Financial Services Corporation (Lamont) and Public Financial Management, Inc. to serve as financial advisors for the ISRF Program, and KNN to serve on the State School Fund assignment. Additionally, Lamont would serve as financial advisor on ISRF bond issuances and KNN would serve as financial advisor on State School fund bond issuances. Chairman Heidig asked for any questions or comments from the Board. Mr. Harvey inquired as to whether there were any lists other than the State Treasurer's Office (STO) list of pooled financial advisors to draw from in advertising future RFQs, as he would prefer more responses in order to get more competitive bids. Ms. Lewis responded that the STO has a rather rigorous screening process with regard to meeting certain minimum qualifications, consistent with state policies, and those firms have gone through the STO's screening process, in addition to those

requirements added in the I-Bank's own RFQ. Additionally, she stated that although staff could utilize other firm listing sources, such as the Bond Buyer Red Book, the I-Bank does have a minimum requirement that the selected firms must be on the STO's approved financial advisory listing. Mr. Harvey also expressed a desire that staff could put forth effort to meet the Governor's executive order regarding ensuring that small businesses and disadvantaged firms are included in State contracting opportunities when advertising future RFQs. Ms. Lewis added that Gardner, Underwood & Bacon is a small business entity as well as a minority firm. Chairman Heidig then asked for any questions or comments from the public, there were none. Chairman Heidig entertained a motion to approve Resolution No. 07-15. Mr. Harvey moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

**Other Business.**

Chairman Heidig called for any other business, there was none.

**Public Comment.**

Chairman Heidig called for any public comment. There was no public comment.

**Adjournment.**

Chairman Heidig adjourned the meeting at approximately 1:58 p.m.